



**U.S. Department of Justice**

**Terrence Berg  
United States Attorney  
Eastern District of Michigan**

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**For Immediate Release:**

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**EVENT: Sentenced**

**Defendant: Frank Vallecorsa**

**FORMER PRESIDENT OF AMERICAN INTERNATIONAL, INC. WAS  
SENTENCED ON CHARGES OF EMBEZZLING APPROXIMATELY  
\$745,000 IN PENSION FUNDS**

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The former head of American International, Inc., was sentenced today to one day in the custody of the Bureau of Prisons to be followed by a three-year term of supervised release, as a result of his guilty plea to a one-count Information charging him with the embezzlement of approximately \$745,000 from two company pension funds, Acting United States Attorney Terrence Berg announced today. As a condition of the term of supervised release, he was also ordered to serve 4 months in a residential re-entry center, to be followed by 6 months of home confinement. In addition, the court ordered that full restitution be made to the victims of the embezzlement in the amount of \$745,421.72.

Mr. Berg was joined in the announcement by Gordon S. Heddell, Inspector General for the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigation.

Frank Vallecorsa, 77, of Grosse Pointe Farms, Michigan, was sentenced in United States District Court before Judge David M. Lawson.

The information presented to the court at the time of the plea showed that between February 2001 and June 2003, while Vallecorsa was heading American International, Inc., he embezzled approximately \$745,000 from two company pension funds in order to keep his financially-depressed company afloat. At the time, Vallecorsa was the sole trustee of both employee pension plans.

Acting U.S. Attorney Berg said, "Embezzlement of employee pension funds is a betrayal of the duties that corporate officers owe their company, its workers, and the public."

Acting U.S. Attorney Berg specifically thanked the Employee Benefits Security Administration of the Department of Labor and the Detroit Office of the Inspector General of the Department of Labor for its hard work in conducting the investigation of this case. This case was prosecuted by Assistant U.S. Attorney Walter Kozar.